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7 8	Attorneys for Plaintiff SOVEREIGN SURGICAL HOLDINGS.	, L.P.
9	UNITED STATES	DISTRICT COURT
10	CENTRAL DISTRIC	CT OF CALIFORNIA
11	SOVEREIGN SURGICAL HOLDINGS,	Case No. SACV17-597 CJC (AGRx)
12	L.P., a Delaware Limited Partnership, Plaintiff,	Assigned for all purposes to Hon. Cormac J. Carney, Dept. 9B
13	VS.	Magistrate Judge: Alicia G. Rosenberg
14	DUAL DIAGNOSIS TREATMENT	STIPULATION AND
15	CENTER, INC., a California Corporation,	PROTECTIVE ORDER
16	Defendant.	
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STIPULATION AND PROTECTIVE ORDER

2835/033825-0001 11729813.1 a12/08/17

Rutan & Tucker LLP

attorneys at law

STIPULATION AND PROTECTIVE ORDER

1. PURPOSES AND LIMITATIONS

Discovery in this action is likely to involve production of confidential, proprietary or private information for which special protection from public disclosure and from use for any purpose other than pursuing this litigation may be warranted. Accordingly, Plaintiff Sovereign Surgical Holdings, L.P. ("Plaintiff") and Defendant Dual Diagnosis Treatment Center, Inc. ("Defendant") hereby stipulate to and petition the Court to enter the following Stipulated Protective Order. The parties acknowledge that this Order does not confer blanket protections on all disclosures or responses to discovery and that the protection it affords from public disclosure and use extends only to the limited information or items that are entitled to confidential treatment under the applicable legal principles.

2. <u>ACKNOWLEDGMENT OF UNDER SEAL FILING PROCEDURE</u>

The parties further acknowledge, as set forth in Section 14.3, below, that this Stipulated Protective Order does not entitle them to file confidential information under seal; Civil Local Rule 79-5 sets forth the procedures that must be followed and the standards that will be applied when a party seeks permission from the court to file material under seal.

3. GOOD CAUSE STATEMENT

This action is likely to involve customer information and research, and other financial and/or commercially sensitive business information for which special protection from public disclosure and from use for any purpose other than prosecution of this action is warranted. Such confidential and proprietary materials and information consist of, among other things, confidential business or financial information, information regarding confidential business practices, or other confidential research, development, or commercial information (including information implicating privacy rights of third parties and/or the parties' duties of confidentiality owed to third parties), information otherwise generally unavailable to

the public, or which may be privileged or otherwise protected from disclosure under
state or federal statutes, court rules, case decisions, or common law. Accordingly, to
expedite the flow of information, to facilitate the prompt resolution of disputes over
confidentiality of discovery materials, to adequately protect information the parties
are entitled to keep confidential, to ensure that the parties are permitted reasonable
necessary uses of such material in preparation for and in the conduct of trial, to
address their handling at the end of the litigation, and serve the ends of justice, a
protective order for such information is justified in this matter. It is the intent of the
parties that information will not be designated as confidential for tactical reasons
and that nothing be so designated without a good faith belief that it has been
maintained in a confidential, non-public manner, and there is good cause why it
should not be part of the public record of this case.

4. <u>DEFINITIONS</u>

- 4.1 <u>Action</u>: this pending federal lawsuit.
- 4.2 <u>Challenging Party</u>: a Party or Non-Party that challenges the designation of information or items under this Order.
- 4.3 <u>"CONFIDENTIAL" Information or Items</u>: information (regardless of how it is generated, stored or maintained) or tangible things that qualify for protection under Federal Rule of Civil Procedure 26(c), and as specified above in the Good Cause Statement.
- 4.4 "HIGHLY CONFIDENTIAL ATTORNEYS' EYES ONLY" (or "HIGHLY CONFIDENTIAL AEO") Information or Items: extremely sensitive "CONFIDENTIAL" information (regardless of how it is generated, stored or maintained) or tangible things, the disclosures of which to another Party or Non-Party would create a substantial risk of serious harm that could not be avoided by less restrictive means.
 - 4.5 Counsel: Outside Counsel of Record and House Counsel (as well as

4.13 Producing Party: a Party or Non-Party that produces Disclosure or Discovery Material in this Action.

4.14 Professional Vendors: persons or entities that provide litigation support services (e.g., photocopying, videotaping, translating, preparing exhibits or demonstrations, and organizing, storing, or retrieving data in any form or medium)

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4.15 Protected Material: any Disclosure or Discovery Material that is designated as "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – AEO."

4.16 Receiving Party: a Party that receives Disclosure or Discovery Material from a Producing Party.

5. SCOPE

The protections conferred by this Stipulation and Order cover not only Protected Material (as defined above), but also (1) any information copied or extracted from Protected Material; (2) all copies, excerpts, summaries, or compilations of Protected Material; and (3) any testimony, conversations, or presentations by Parties or their Counsel that might reveal Protected Material.

Any use of Protected Material at trial shall be governed by the orders of the trial judge. This Order does not govern the use of Protected Material at trial.

6. **DURATION**

Even after final disposition of this litigation, the confidentiality obligations imposed by this Order shall remain in effect until a Designating Party agrees otherwise in writing or a court order otherwise directs. Final disposition shall be deemed to be the later of (1) dismissal of all claims and defenses in this Action, with or without prejudice; and (2) final judgment herein after the completion and exhaustion of all appeals, rehearings, remands, trials, or reviews of this Action, including the time limits for filing any motions or applications for extension of time pursuant to applicable law.

DESIGNATING PROTECTED MATERIAL

Exercise of Restraint and Care in Designating Material for Protection.

Each Party or Non-Party that designates information or items for protection under this Order must take care to limit any such designation to specific material that qualifies under the appropriate standards. The Designating Party must designate for protection only those parts of material, documents, items or oral or

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written communications that qualify so that other portions of the material, documents, items or communications for which protection is not warranted are not swept unjustifiably within the ambit of this Order.

Mass, indiscriminate or routinized designations are prohibited. Designations that are shown to be clearly unjustified or that have been made for an improper purpose (e.g., to unnecessarily encumber the case development process or to impose unnecessary expenses and burdens on other parties) may expose the Designating Party to sanctions.

If it comes to a Designating Party's attention that information or items that it designated for protection do not qualify for protection, that Designating Party must promptly notify all other Parties that it is withdrawing the inapplicable designation.

7.2 <u>Manner and Timing of Designations</u>. Except as otherwise provided in this Order (see, e.g., second paragraph of section 5.2(a) below), or as otherwise stipulated or ordered, Disclosure or Discovery Material that qualifies for protection under this Order must be clearly so designated before the material is disclosed or produced.

Designation in conformity with this Order requires:

(a) for information in documentary form (e.g., paper or electronic documents, but excluding transcripts of depositions or other pretrial or trial proceedings), that the Producing Party affix at a minimum, the legend "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – AEO" (hereinafter "CONFIDENTIAL legend") to each page that contains protected material. If only a portion of the material on a page qualifies for protection, the Producing Party also must clearly identify the protected portion(s) (e.g., by making appropriate markings in the margins).

A Party or Non-Party that makes original documents available for inspection need not designate them for protection until after the inspecting Party has indicated which documents it would like copied and produced. During the inspection and

	1	before the	designation,	all of the	material m	ade availa	ble for:	inspection	shall	be
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- 2 deemed "CONFIDENTIAL." After the inspecting Party has identified the
- 3 documents it wants copied and produced, the Producing Party must determine which
- 4 documents, or portion(s) thereof, qualify for protection under this Order. Then,
- 5 before producing the specified documents, the Producing Party must affix the
- 6 "CONFIDENTIAL legend" to each page that contains Protected Material. If only a
- 7 portion of the material on a page qualifies for protection, the Producing Party also
- 8 must clearly identify the protected portion(s) (e.g., by making appropriate markings
- 9 in the margins).

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- (b) for testimony given in depositions, that the Designating Party identifies the Disclosure or Discovery Material and all related protected testimony on the record before the close of the deposition.
- (c) for information produced in some form other than documentary and for any other tangible items, that the Producing Party affix in a prominent place on the exterior of the container(s) in which the information is stored the legend "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL AEO." If only a portion of the information warrants protection, the Producing Party, to the extent practicable, shall identify the protected portion(s).
- 7.3 <u>Inadvertent Failures to Designate</u>. If timely corrected, an inadvertent failure to designate qualified information or items does not, standing alone, waive the Designating Party's right to secure protection under this Order for such material. Upon timely correction of a designation, the Receiving Party must make reasonable efforts to assure that the material is treated in accordance with the provisions of this Order.

8. CHALLENGING CONFIDENTIALITY DESIGNATIONS

8.1 <u>Timing of Challenges</u>. Any Party or Non-Party may challenge a designation of confidentiality at any time that is consistent with the Court's

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- 8.2 <u>Meet and Confer.</u> The Challenging Party shall initiate the dispute resolution process under Local Rule 37-1 *et seq.*
- 8.3 <u>Joint Stipulation</u>. Any challenge submitted to the Court shall be via a joint stipulation pursuant to Local Rule 37-2.
- 8.4 <u>Burden of Persuasion</u>. The burden of persuasion in any such challenge proceeding shall be on the Designating Party. Frivolous challenges, and those made for an improper purpose (e.g., to harass or impose unnecessary expenses and burdens on other parties) may expose the Challenging Party to sanctions. Unless the Designating Party has waived or withdrawn the confidentiality designation, all parties shall continue to afford the material in question the level of protection to which it is entitled under the Producing Party's designation until the Court rules on the challenge.

9. ACCESS TO AND USE OF PROTECTED MATERIAL

9.1 <u>Basic Principles</u>. A Receiving Party may use Protected Material that is disclosed or produced by another Party or by a Non-Party in connection with this Action only for prosecuting, defending or attempting to settle this Action. Such Protected Material may be disclosed only to the categories of persons and under the conditions described in this Order. When the Action has been terminated, a Receiving Party must comply with the provisions of section 15 below (FINAL DISPOSITION).

Protected Material must be stored and maintained by a Receiving Party at a location and in a secure manner that ensures that access is limited to the persons authorized under this Order.

9.2 <u>Disclosure of "CONFIDENTIAL" Information or Items</u>. Unless otherwise ordered by the court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or item designated

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- the Receiving Party's Outside Counsel of Record in this Action, as well as employees of said Outside Counsel of Record to whom it is reasonably necessary to disclose the information for this Action;
- the officers, directors, and employees (including House Counsel) (b) of the Receiving Party to whom disclosure is reasonably necessary for this Action;
- (c) Experts (as defined in this Order) of the Receiving Party to whom disclosure is reasonably necessary for this Action and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);
 - the court and its personnel; (d)
- private court reporters and their staff to whom disclosure is (e) reasonably necessary for this Action and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);
- professional jury or trial consultants, mock jurors, and (f) Professional Vendors to whom disclosure is reasonably necessary for this Action and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);
- the author or recipient of a document containing the information (g) or a custodian or other person who otherwise possessed or knew the information;
- (h) during their depositions, witnesses, and attorneys for witnesses, in the Action to whom disclosure is reasonably necessary provided: (1) the deposing party requests that the witness sign the form attached as Exhibit A hereto; and (2) they will not be permitted to keep any confidential information unless they sign the "Acknowledgment and Agreement to Be Bound" (Exhibit A), unless otherwise agreed by the Designating Party or ordered by the court. Pages of transcribed deposition testimony or exhibits to depositions that reveal Protected Material may be separately bound by the court reporter and may not be disclosed to anyone except

1	"HIGHLY CONFIDENTIAL – AEO" may not be disclosed any person or entity
2	who, on and after the date this Action began, is or was one of the following: named
3	plaintiff, defendant, or counterdefendant to this Action, including all of its officers,
4	directors, employees, and members and their officers, directors, or employees,
5	except as provided in Section 9.3, subsection (f), above.
6	10. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED
7	IN OTHER LITIGATION
8	If a Party is served with a subpoena or a court order issued in other litigation
9	that compels disclosure of any information or items designated in this Action as
10	"CONFIDENTIAL," that Party must:
11	(a) promptly notify in writing the Designating Party. Such
12	notification shall include a copy of the subpoena or court order;
13	(b) promptly notify in writing the party who caused the subpoena or
14	order to issue in the other litigation that some or all of the material covered by the
15	subpoena or order is subject to this Protective Order. Such notification shall include
16	a copy of this Stipulated Protective Order; and
17	(c) cooperate with respect to all reasonable procedures sought to be
18	pursued by the Designating Party whose Protected Material may be affected.
19	If the Designating Party timely seeks a protective order, the Party served with
20	the subpoena or court order shall not produce any information designated in this
21	action as "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – AEO" before a
22	determination by the court from which the subpoena or order issued, unless the
23	Party has obtained the Designating Party's permission. The Designating Party shall
24	bear the burden and expense of seeking protection in that court of its confidential
25	material and nothing in these provisions should be construed as authorizing or
26	encouraging a Receiving Party in this Action to disobey a lawful directive from
27	another court.
28	11. <u>A NON-PARTY'S PROTECTED MATERIAL SOUGHT TO BE</u>

PRODUCED IN THIS LITIGATION

(a) The terms of this Order are applicable to information produced
by a Non-Party in this Action and designated as "CONFIDENTIAL" or "HIGHLY
CONFIDENTIAL – AEO." Such information produced by Non-Parties in
connection with this litigation is protected by the remedies and relief provided by
this Order. Nothing in these provisions should be construed as prohibiting a Non-
Party from seeking additional protections.

- (b) In the event that a Party is required, by a valid discovery request, to produce a Non-Party's confidential information in its possession, and the Party is subject to an agreement with the Non-Party not to produce the Non-Party's confidential information, then the Party shall:
- (i) promptly notify in writing the Requesting Party and the Non-Party that some or all of the information requested is subject to a confidentiality agreement with a Non-Party;
- (ii) promptly provide the Non-Party with a copy of the Stipulated Protective Order in this Action, the relevant discovery request(s), and a reasonably specific description of the information requested; and
- (iii) make the information requested available for inspection by the Non-Party, if requested.
- (c) If the Non-Party fails to seek a protective order from this court within 14 days of receiving the notice and accompanying information, the Receiving Party may produce the Non-Party's confidential information responsive to the discovery request. If the Non-Party timely seeks a protective order, the Receiving Party shall not produce any information in its possession or control that is subject to the confidentiality agreement with the Non-Party before a determination by the court. Absent a court order to the contrary, the Non-Party shall bear the burden and expense of seeking protection in this court of its Protected Material.

12. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected Material to any person or in any circumstance not authorized under this Stipulated Protective Order, the Receiving Party must immediately (a) notify in writing the Designating Party of the unauthorized disclosures, (b) use its best efforts to retrieve all unauthorized copies of the Protected Material, (c) inform the person or persons to whom unauthorized disclosures were made of all the terms of this Order, and (d) request such person or persons to execute the "Acknowledgment and Agreement to Be Bound" attached hereto as Exhibit A.

13. INADVERTENT PRODUCTION OF PROTECTED MATERIAL

When a Producing Party gives notice to Receiving Parties that certain inadvertently produced material is subject to a claim of privilege or other protection, the obligations of the Receiving Parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision is not intended to modify whatever procedure may be established in an e-discovery order that provides for production without prior privilege review. Pursuant to Federal Rule of Evidence 502(d) and (e), insofar as the parties reach an agreement on the effect of disclosure of a communication or information covered by the attorney-client privilege or work product protection, the parties may incorporate their agreement in the stipulated protective order submitted to the court.

14. MISCELLANEOUS

- 14.1 <u>Right to Further Relief</u>. Nothing in this Order abridges the right of any person to seek its modification by the Court in the future.
- 14.2 <u>Right to Assert Other Objections</u>. By stipulating to the entry of this Protective Order, no Party waives any right it otherwise would have to object to disclosing or producing any information or item on any ground not addressed in this Stipulated Protective Order. Similarly, no Party waives any right to object on any ground to use in evidence of any of the material covered by this Protective Order.

14.3 <u>Filing Protected Material</u>. A Party that seeks to file under seal any Protected Material must comply with Local Civil Rule 79-5. Protected Material may only be filed under seal pursuant to a court order authorizing the sealing of the specific Protected Material at issue. If a Party's request to file Protected Material under seal is denied by the court, then the Receiving Party may file the information in the public record unless otherwise instructed by the court.

15. FINAL DISPOSITION

After the final disposition of this Action, as defined in paragraph 6, within 60 days of a written request by the Designating Party, each Receiving Party must return all Protected Material to the Producing Party or destroy such material. As used in this subdivision, "all Protected Material" includes all copies, abstracts, compilations, summaries, and any other format reproducing or capturing any of the Protected Material. Whether the Protected Material is returned or destroyed, the Receiving Party must submit a written certification to the Producing Party (and, if not the same person or entity, to the Designating Party) by the 60-day deadline that (1) identifies (by category, where appropriate) all the Protected Material that was returned or destroyed and (2) affirms that the Receiving Party has not retained any copies, abstracts, compilations, summaries or any other format reproducing or capturing any of the Protected Material. Notwithstanding this provision, Counsel are entitled to retain an archival copy of all pleadings, motion papers, trial, deposition, and hearing transcripts, legal memoranda, correspondence, deposition and trial exhibits, expert reports, attorney work product, and consultant and expert work product, even if such materials contain Protected Material. Any such archival copies that contain or constitute Protected Material remain subject to this Protective Order as set forth in Section 6 (DURATION).

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1	16. <u>VIOLATION</u>		
2	Any violation of this Order may be punished by appropriate measures		
3	including, without limitation, contempt proceedings and/or monetary sanctions.		
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5	IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.		
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7	Dated: December 8, 2017 RUTAN & TUCKER, LLP		
8	By: /s/ Michael D. Adams		
9 10	Michael D. Adams Attorneys for Plaintiff SOVEREIGN SURGICAL		
11	HOLDINGS, L.P.		
12			
13	Dated: December 8, 2017 GREENBERG GROSS LLP		
14	By: /s/ David M. Stein		
15	David M. Stein Attorneys for Defendant DUAL DIAGNOSIS TREATMENT		
16	CENTER, INC.		
17 18			
19	FOR GOOD CAUSE SHOWN, IT IS SO ORDERED.		
20	Dated: December 13, 2017		
21	Dated: December 13, 2017 Hon. Alicia G. Rosenberg		
22	United States Magistrate Judge		
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Rutan & Tucker LLP attorneys at law

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STIPULATION AND PROTECTIVE ORDER

1 **EXHIBIT A** 2 ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND I, [full name] of 3 [address], declare under penalty of 4 perjury that I have read in its entirety and understand the Stipulated Protective Order 5 that was issued by the United States District Court for the Central District of 6 California on ______ in the case of SOVEREIGN SURGICAL 7 8 HOLDINGS, L.P., a Delaware Limited Partnership, Plaintiff vs. DUAL DIAGNOSIS TREATMENT CENTER, INC., a California Corporation, Defendant, 10 Case No. SACV17-597 CJC (AGRx). 11 I agree to comply with and to be bound by all the terms of this Stipulated Protective Order and I understand and acknowledge that failure to so comply could 12 expose me to sanctions and punishment in the nature of contempt. I solemnly 13 promise that I will not disclose in any manner any information or item that is subject 14 to this Stipulated Protective Order to any person or entity except in strict compliance 15 with the provisions of this Order. I further agree to submit to the jurisdiction of the United States District Court for the Central District of California for the purpose of 17 enforcing the terms of this Stipulated Protective Order, even if such enforcement 18 19 proceedings occur after termination of this action. I hereby appoint _____ [full name] of 20 [full address and 21 22 phone number] as my California agent for service of process in connection with this action or any proceedings related to enforcement of this Stipulated Protective Order. 23 24 Dated: _____ City and State where signed: _____ 25 26 Printed name: 27 2835/033825-0001 STIPULATION AND PROTECTIVE ORDER

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